

OD&E 0861-83

DD/R
83-1884/2

30 September 1983

MEMORANDUM FOR: Deputy Director for Administration

THROUGH: Deputy Director for Science and Technology *Red*

FROM: Robert J. Kohler
Director of Development and Engineering

SUBJECT: Airline Bonus Plans (U)

REFERENCES: A.
B.

STAT

1. Reference A attempts to establish an Agency policy relative to the disposition of "free tickets" received by Agency employees as a result of accumulation of "bonus points" received as a result of travel on government business. The HN raises more questions than it answers. My real difficulty with the HN, however, is that it assigns responsibility to the Operating Officials, with no clear guidance on how to implement that responsibility. (U)

2. To me, there are two operative phrases in the HN worth focusing on, namely, (a) "...that promotional material received from carriers by official travelers becomes the property of the Government..." and (b) "Prudent use should be made by the Government and the official traveler of any bonus coupons or points offered by the carrier." Later, the HN encourages Operating Officials to make "cost-effective" decisions in this regard. (U)

3. You have seen the OD&E analysis that points out that the added cost to fully implement, monitor and enforce a truly effective program to use the "free tickets" actually would cost OD&E more money. From the perspective of the intent of Reference A, therefore, the best plan for OD&E to follow is to discourage OD&E people from joining such clubs, and to discourage them from accruing any free tickets on an economic basis alone. (U)

4. You will recall in the OD&E briefing that our view was that the best way to encourage the economic use of these tickets is to place total responsibility on the employee to do all the accounting, etc. It is still my view that the best way to accomplish this in

SUBJECT: Airline Bonus Plans (U)

the most cost-efficient manner, that will result in the most value to OD&E, is to allow the employees to purchase the "free tickets" for the cost of a GTR round trip to California, the most likely use in OD&E. You and I have discussed this informally, but now I must ask for a formal opinion on this proposed OD&E way of implementing the intent of Reference A. (U)

5. As I mentioned in our discussion, I believe Reference B provides the authority to do what I propose. Reference A declares that these "free tickets" are government property; Reference B states that the Director of Logistics can sell government property; I propose simply that the Director of Logistics authorize me to dispose of this specific kind of government property in the best economic interest of the USG. The necessary authorization papers are attached for your evaluation. (U)

6. Your expeditious response to this proposal will be appreciated, as I anticipate many questions to be posed as a result of Reference A. (U)

STAT

Robert J. Kohler

Attachments:

- A. OL 0072-83, Memo to D/OD&E from D/OL
- B. OD&E Notice 22-6

OD&E 0861-83
Page 2